

forced into bankruptcy as a result of what it termed "the crushing burden of asbestos related lawsuits."

You should know these facts about the Rutland Fire Clay case:

Rutland Fire Clay, with its 22 employees, is a small, 116 year-old family business, in Rutland, Vermont.

The business was started in 1883 by Rufus Perkins and his two sons and has manufactured, for more than 100 years, a cement material for use in the repair of furnaces and residential wood stoves sold through hardware stores. The product originally contained a very small amount of encapsulated asbestos, although Rutland discontinued the use of asbestos in its products almost 30 years ago.

Since 1984, there have been 50,000 asbestos cases filed against the company, and 37,000 remain pending today—most of these cases involving non-sick claimants.

The company has estimated its liability for current and future asbestos claims at \$67 million, with assets of only \$3 million.

Thomas Martin, the firm's president, said in a Rutland press interview last week, that if it weren't for asbestos claims, the 116 year-old company would never have wound up in bankruptcy. He described business as "excellent," with the company expecting a record sales year.

The Rutland Fire Clay case is a stark example of what happens in the asbestos litigation world today. Asbestos lawyers continue to draw from an almost limitless pool of potential defendants by targeting, with the touch of a word processing button, small and large companies—many with only a tangential association to asbestos. These "asbestos" defendants include local building products distributors, home remodeling centers, "mom and pop" hardware stores, and other unsuspecting companies who manufactured, or only distributed, products that may have contained nominal amounts of asbestos in a component part of end products, such as forklifts, cranes, gaskets, grinding wheels, lawnmower engines, etc.

While the principal focus of the bipartisan Fairness in Asbestos Compensation Act is, as it should be, on the rights of deserving asbestos victims, we believe that the interests of the hundreds of large and small businesses affected by this national travesty, their employees, pensioners, communities who depend upon them, and their millions of shareholders warrant your support of the Act as well.

#### EXHIBIT NO. 2

RUTLAND FIRE CLAY COMPANY,  
Rutland, VT, October 29, 1999.

Hon. PATRICK J. LEAHY,  
U.S. Senate, Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR LEAHY: Thank you for sending me the recent advertisement produced by the Coalition for Asbestos Resolution (CAR) that is using our recent bankruptcy filing in its campaign in support of S. 758 and its companion, H.R. 1283.

We presently have over 37,000 lawsuits pending against us and we have approximately \$4 million of insurance and \$2 million in assets. For small firms such as ours with limited remaining insurance and minimal assets, the burden of claims is indeed crushing as quoted in the CAR advertisement. However, I reviewed this bill and my opinion is it would not help Rutland Fire Clay Company reduce this burden, nor would it help any other small business with thousands of claims. As an example under section 601 apportionment of costs for the ARC are addressed. Potential disputes could easily arise between defendants as to their respective

share of costs. Our company cannot afford the expense of litigation if disagreement with the large defendants is the result. In addition, our historical costs per claim processed for defense and indemnity have been very low relative to that of other defendant companies. Under S. 758 costs would be apportioned to Rutland Fire Clay Company equally, and thus higher, than under the current system.

The advertisement's headline gave the impression that our family business would be "ruined" and that our 22 employees would be out of work. The truth is that we have worked out a consensual bankruptcy plan which recognizes the value of Rutland Fire Clay Company and its employees. No jobs will be lost and we will continue to serve the fireplace and home repair markets as we have for 116 years.

Lastly, our firm in no way assisted in preparation of the CAR advertisement nor did we have any knowledge of it until our office sent me a copy.

Thank you,

Sincerely,

THOMAS P. MARTIN,  
President.

#### MESSAGE FROM THE HOUSE

At 12:36 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1180) to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ARCHER, Mr. BLILEY, Mr. ARMEY, Mr. RANGEL, and Mr. DINGELL as the managers of the conference on the part of the House.

#### MEASURE PLACED ON THE CALENDAR

The following bill was read the second time and placed on the calendar:

S. 1832. A bill to amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage.

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-5969. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals dated October 27, 1999; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Energy and Natural Resources, and to the Committee on Foreign Relations.

EC-5970. A communication from the Director, Office of Administration, United States

International Trade Commission, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC-5971. A communication from the Executive Director, United States Holocaust Memorial Museum, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC-5972. A communication from the Secretary, The Commission of Fine Arts, transmitting, pursuant to law, a report relative to its commercial activities inventory; to the Committee on Governmental Affairs.

EC-5973. A communication from the Office of Independent Counsel Thompson, transmitting, pursuant to law, a report relative to the Office's audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC-5974. A communication from the Chair, Architectural and Transportation Barriers Compliance Board, transmitting, pursuant to law, a report relative to the Federal Managers' Financial Integrity Act; to the Committee on Governmental Affairs.

EC-5975. A communication from the Chairman and Chief Executive Officer, Chemical Safety and Hazard Investigation Board, transmitting, pursuant to law, a report relative to the Office's audit and investigative activities for fiscal year 1999; to the Committee on Governmental Affairs.

EC-5976. A communication from the Auditor of the District of Columbia, transmitting, pursuant to law, a report entitled "Fiscal Year 1998 Annual Report on Advisory Neighborhood Commissions"; to the Committee on Governmental Affairs.

EC-5977. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled "Suspension of Community Eligibility; 64 FR 56256; 10/19/99", received October 29, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC-5978. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska: Pollock by Vessels Catching Pollock for Processing by the Inshore Component in the Bering Sea Subarea", received October 16, 1999; to the Committee on Commerce, Science, and Transportation.

EC-5979. A communication from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Highly Migratory Species Fisheries; Atlantic Bluefin Tuna; Opening of General Category NY Bight Fishery" (I.D. 100899B), received October 29, 1999; to the Committee on Commerce, Science, and Transportation.

#### PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-369. A resolution adopted by the House of the Legislature of the State of Michigan relative to hazardous materials facilities; to the Committee on Environment and Public Works.

#### HOUSE RESOLUTION NO. 223

Whereas, Federal law under Title III of the Superfund Amendments and Reauthorization Act of 1986 (SARA) requires identifying the locations of facilities which handle hazardous materials and also requires the development of a plan for communities to respond